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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 12/08/06

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Prime Minister's schedule, Dec. 7

NIHON KEIZAI (Page 2) (Full) December 8, 2006

#### 07:59

Met with Nippon Keidanren Chairman Mitarai, Tokyo University Professor Motoshige Ito and others at a restaurant in the Akasaka Prince Hotel.

#### 09:55

Video taped message for the Visit Japan Campaign at Kantei.

#### 11:46

Met Special Advisor Nemoto.

### 12:29

Had lunch and enjoyed talks with sixth-grade students at an elementary school in Ichigaya.

### 14:04

Met Hideyuki Shinohara, first-prize winner in the national truck drivers contest, and others at Kantei. Met Finance Minister Omi, Finance Vice Minister Fujii and others. Joined by Assistant Deputy Chief Cabinet Secretary Saka.

## 15:33

Held dialogue with Mitarai for a New Year special feature in Nippon Keidanren's organ magazine.

### 16:05

Met National Policy Agency Director General Uruma.

### 17:02

Attended a Security Council meeting. Later attended a meeting of the Council on Economic and Fiscal Policy.

### 19:42

Dined at a Japanese restaurant in the Hotel Okura with "Yamazato kai" members, including Yomiuri Shimbun Group President Tsuneo Watanabe and Asahi Shimbun columnist Toru Hayano.

### 21:49

Returned to his official residence.

4) Defense chief denies gov't supported Iraq war

ASAHI (Page 3) (Abridged) December 8, 2006

Defense Agency Director General Kyuma, sitting in on the House of Councillors Foreign and Defense Affairs Committee in its meeting yesterday, was asked about the United States' use of armed force against Iraq and indicated that support for the Iraq war did not represent the government's official view but was Prime Minister Koizumi's personal view at that time. "The government did not officially say Japan would support it, and I heard the prime minister (Koizumi) told the media that he would," Kyuma stated before the committee. He was replying to a question asked by Yasuo Ogata representing the Japanese Communist Party.

Kyuma used to maintain that it was inappropriate to say "support"

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the Iraq war when it started and that it was enough to say "understand" it. This can be taken as raising a question about the justification for the Iraq war. However, the government has supported the use of force against Iraq in its official view. Kyuma's statement will likely create a stir.

5) JDA chief contradictory to the government's statement on the opening of the Iraq war, saying the government did not state it "supports" striking Iraq

TOKYO SHIMBUN December 8, 2006

At a meeting yesterday of the Upper House Committee on Foreign Affairs and Defense, Defense Agency (JDA) Director-General Fumio Kyuma, referring to the response to the opening of the Iraq war by the government of the time: "The government of Japan did not officially state it endorsed (the war)." He thus indicated that it was incorrect to say that the government had endorsed the war from the very beginning.

At the time of the opening of the war in Iraq in March 2003, then Prime Minister Junichiro Koizumi stated positively, "We understand America's launching military action and endorse it." Kyuma's remarks are likely to cause a controversy.

In the session, Kyuma, asked about the prime minister's statement, stated, "I knew Prime Minister (Koizumi) made such a comment to the media."

In addition, referring to the Special Measures Law on Iraq Reconstruction, Kyuma emphasized that the objective of the law is wholly to provide reconstruction assistance, noting: "It's incorrect to say that the government created a law in a way to somewhat support the war, nor is it correct to think that in accordance with that line, the Self-Defense Forces (SDF) were dispatched to (Iraq)."

In April 2004, when he served as acting secretary general of the ruling Liberal Democratic Party (LDP), Kyuma stated in a speech: "The government endorsed America's military action, but frankly speaking, I find it difficult to go as far as to say it was an endorsement."

When asked about (Kyuma's remarks) by reporters at the Prime Minister's Official Residence yesterday, Prime Minister Shinzo Abe stated: "I've not yet received a report about what remarks (JDA Director-General Kyuma) made. I expect the report to come to me shortly."

6) Doubt cast about Japan's support for US initiation of Iraq war; Kyuma distancing himself from previous government?

TOKYO SHIMBUN (Page 2) (Full) December 8, 2006

Shohei Yoshida

Defense Agency Director-General Fumio Kyuma's remarks yesterday on Japan's support for the Iraq war signify the emergence of a move in Japan, inspired by America's ongoing move to review its Iraq policy, to question whether it was justifiable for Japan to endorse the

opening of the war.

On March 20, 2003, immediately after the United States and its allies struck Iraq, then Prime Minister Junichiro Koizumi met the press and stated he endorsed the opening of the war. As the reasons for the endorsement, he cited the removal of Iraq's weapons of mass destruction (WMD). Prime Minister Shinzo Abe, who served as chief cabinet secretary at the time, yesterday firmly stated to reporters: "There were rational reasons for us to believe, when the war was started, that Iraq possessed WMD." Abe thus reiterated there was no mistake in the government's judgment.

US President Bush is now forced to review his Iraq policy, following his defeat in the midterm elections. But the Japanese government finds it difficult to say it will back America's move to review the president's Iraq policy because Tokyo has supported it to date.

On the recommendations in a report just released by the US Iraq Study Group, as well, Chief Cabinet Secretary Yasuhisa Shiozaki simply stated: "We will pay close attention to the moves in the days ahead." Yesterday, Kyuma stated, "It's troublesome for us to be described as being committed to the Iraq war and mobilizing Self-Defense Forces (SDF) troops to Iraq." This remark leaves us with the impression that Kyuma is desperate to avoid being called to account for the endorsement of the opening of the war.

7) Government carefully watching how US will change Iraq policy in determining future course of ASDF activities

YOMIURI (Page 2) (Full) December 8, 2006

The government intends to carefully watch how the United States government will switch its policy course toward Iraq in response to a report of recommendations on Iraq policy worked out by the Iraq Study Group, a bipartisan advisory panel to the US Congress.

In a press conference yesterday, Chief Cabinet Secretary Shiozaki said: "Although the recommendations are very sincere and constructive, we need to closely watch to see if the US government reflects the recommendations in its policy." One Foreign Ministry official also said, "It is doubtful whether US troops will be pulled out of combat in Iraq, given the deteriorating security situation there."

The Japanese government has dispatched about 200 Air Self-Defense Force (ASDF) troops and 3 C-130 transport planes to Kuwait on a mission of transporting United Nations' members and goods to Baghdad and other areas in Iran from Kuwait. If all US combat troops withdraw from Iraq by early 2008, as recommended in the report, there naturally will be some effect on ASDF activities, but the government intends to carefully watch for the time being how the situation will change.

In a meeting of the House of Councillors Foreign and Defense Policy Committee yesterday, Defense Agency Director General Kyuma referred to an extension of the Iraq Humanitarian Reconstruction Support Special Measures Law, which is to expire in late July of next year:

"Whether the US will be able to maintain security in Iraq constitutes a very essential element. While paying close attention to the policies of the US and the UN, we will have to make a

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judgment (on what to do about future SDF activities) by next July."

8) Gov't mulls extending Iraq law until 2009, with eye to US military pullout

MAINICHI (Page 5) (Abridged) December 8, 2006

The Iraq Study Group, a bipartisan group established in the United States, has now presented the Bush administration with a report calling for Iraq-based US military combat troops to be withdrawn by

March 2008. Meanwhile, the Japanese government began yesterday studying withdrawing Air Self-Defense Force troops currently engaged in airlift activities in Iraq. The government presumes that the complete pullout of US troops would take more time beyond that time limit. With an eye to the next US presidential election, the government will study extending a time-limited law for special measures to assist Iraq's reconstruction or the so-called Iraq Special Measures Law, which is to expire at the end of July next year, for two years. In addition, the government will also consider terminating the ASDF's Iraq mission within that extended timeframe.

The government yesterday held a meeting of the Security Council of Japan (SCJ), in which the government decided to extend the ASDF's airlift mission in Iraq until the end of July next year. The government will confirm the decision in a cabinet meeting today.

The report's specification of a withdrawal date is a sudden surprise to Japan. "If they set a timetable, terrorists will step up their activities," says a government official.

"Japan has made its own decision to help Iraq with its reconstruction and has been extending cooperation," Prime Minister Shinzo Abe told reporters at his office yesterday when asked about the report's possible repercussions on extending the ASDF's Iraq mission. "We will see various situations, and Japan will make its own decision," Abe added. However, one government official voiced concern, saying, "The report, which sets a timetable, has a big impact."

If the US military phases out its presence in Iraq, there will be more need for the ASDF's airlift support. There will be a US presidential election in the fall of 2008. If the ASDF's Iraq mission is extended for one year, the government will have to reach a conclusion amid the presidential election campaign. "In our country's relations with the United States, we should not be involved in debates for the presidential election," a government official said, adding, "We will seek to pull out with two years' extension."

9) Okinawa governor-elect shows flexible stance on government's plan for Futenma, premised on "removing the danger" of current airfield

YOMIURI (Page 1) (Full) December 8, 2006

Responding to an interview request from the Yomiuri Shimbun on Dec. 7 in Naha City, Hirokazu Nakaima, who will be sworn in as the new governor of Okinawa on Dec. 10, in commenting on the issue of relocating MCAS Futenma (Ginowan City), revealed a policy course he will take once he is governor of considering flexibly the plan to build an alternate facility on the shores of Camp Schwab (Nago City)

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that the government has proposed. He said: An important factor is the general agreement by (Yoshikazu Shimabukuro) the mayor of Nago City to accept the site. There has been a major change in the prefectural population's feelings about this issue." However, he stressed that in considering the proposed plan, he was laying down the following premises: 1) On the "removal of the dangerousness" of Futenma Air Station to the neighboring area until the relocation occurs, the government must come up with specific measures and carry them out within three years; and 2) the government must proceed respectfully with talks with the prefecture and related cities and towns, and also carefully carry out an environmental impact assessment.

On the removal of the danger of Futenma, he noted: "Technical studies should be able to be carried out within the government on such solutions as relocating some of the training, shortening the time (the base is used), or and reducing noise."

During the campaign, Nakaima, who was running for the first time for governor in the election in November, took a stance of being opposed in principle to the V-shaped double runway plan that the government had drafted. However, Major of Nago Shimabukuro this April gave his approval to the plan. It appears that Nakaima's thinking comes from

the need for environmental preparations for relocating Futenma, and his flexible stance thus is premised on such factors as progress in removing the dangerous aspects of the current base.

10) US fighter jet drops dummy bomb at Misawa Airport

ASAHI (Page 38) (Full) December 8, 2006

A US Air Force F-16 fighter jet on a training mission from the US Misawa Air Base in Misawa City, Aomori Prefecture, dropped a dummy bomb on a runway of Misawa Airport, sources revealed yesterday. The US military has recovered the dummy bomb. Misawa Airport is a dual-use airport for the US Air Force, the Air Self-Defense Force, and commercial airlines. However, the airport was not affected, the sources said.

According to the Defense Facilities Administration Agency's Misawa office and other sources, the drop took place on Dec. 6 at around 7:25 p.m. The dummy bomb is made of concrete. It weighs about 11 kilograms and is about 60 centimeters long. There was no explosion.

11) US Navy restricts off-base drinking hours in Japan

ASAHI (Page 38) (Full) December 8, 2006

The headquarters of US Naval Forces Japan took action yesterday to ban all US Navy personnel in Japan from drinking alcoholic beverages at off-base restaurants and in other public places from 2 a.m. through 6 a.m. In the wake of an aircraft carrier crewmen's robbery-murder case that occurred in January this year in the city of Yokosuka, Kanagawa Prefecture, the US Navy has restricted off-base drinking hours for its Yokosuka- and Atsugi-based personnel. The US Navy has expanded this restriction to all US naval bases in Japan.

12) American mother arrested for child abuse in Yokosuka

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TOKYO SHIMBUN (Page 27) (Full) December 8, 2006

The Kanagawa Prefectural Police's Uraga Police Station late yesterday arrested Natasha Yvette Anderson, an unemployed 20-year-old American national without occupation who lives in Yokosuka City, on the charge of physical abuse of her two-month-old son.

According to the police investigation, she is suspected of causing fracturing her son's ribs and causing cranial bleedings by throwing him against the bed in her apartment over a period from Nov. 1-10 out of frustration when he did not stop crying.

The suspect lives with her husband, 20, assigned to the US Navy, and her son. Her husband was away from home for a long period of time because of military training. Last night, she visited a hospital in the US Navy's Yokosuka Base and said, "My son looks sick." A hospital official deemed the injuries highly likely to be the result of child abuse and reported it to the police station via US forces.

13) No bilateral summit set between Japan, South Korea on sidelines of ASEAN conference

SANKEI (Page 5) (Full) December 8, 2006

It is now likely that a bilateral summit will not be held between Prime Minister Shinzo Abe and South Korean President Roh Moo Hyun on the sidelines of a series of conferences related to the ASEAN (Association of Southeast Asian Nations) in the Philippines starting on Dec. 11. A Foreign Ministry source said, "Priority has been given

to first bilateral meetings," but a government source remarked, "The two countries now need to take joint steps on the North Korea issue, so it is regrettable that a bilateral summit has not been arranged. This might be proving that bilateral ties are still strained."

Prime Minister Abe will be arriving in Manila on Dec. 8. After meeting with President Arroyo, he will attend the ASEAN+3 (Japan, China and South Korea) summit, the East Asia summit, and other sessions to be held on Cebu Island. Coordination is now underway for the prime minister to also meet during this period with Australian and Indian prime ministers separately, besides the leaders of ASEAN countries. He is also scheduled to meet Chinese Premier Wen Jiabao.

Regarding a separate meeting with the South Korean prime minister, a negotiator said, "Neither Japan nor South Korea has made a proposal." A Foreign Ministry source said, "The Japanese and South Korean leaders held a bilateral meeting on the occasion of the Asia-Pacific Economic Cooperation (APEC) summit in November."

Prime Minister Abe visited China and South Korea in October in an effort to break the impasse in Japan's strained relations with these countries. To improve ties with China, he met with President Hu Jintao and Premier Wen, but when it comes to South Korea, bilateral relations are still delicate. In the first Abe-Roh meeting, though the meeting took place just after North Korea's nuclear test, the president spoke of Japan's historical views on and one. As a result, no joint statement was issued. According to an aide to the prime

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minister, "The prime minister looked considerably displeased."

The difference in ardor between Japan and South Korea also persists on the North Korea issue. If both countries hold a summit under such a situation and if a difference in both sides' stances is exposed, North Korea might take advantage of it. A government source speculates, "The Kantei might not be eager about a bilateral summit."

14) Singaporean foreign minister in meeting with Abe lauds improvement in Japan-China relations

Hayami Ichikawa, Singapore

ASAHI (Page 4) (Full) December 8, 2006

Foreign Minister Taro Aso, now visiting Singapore on the first leg of his tour of Southeast Asian countries, met yesterday with his Singaporean counterpart George Yeo. He explained to Yeo about the visit to China by Prime Minister Shinzo Abe and his meetings with Chinese leaders in Beijing in October. Aso stated: "Japan worried ASEAN member countries with its interruption of high-level exchanges with China. Japan-China relations have now got better." Yeo then told Aso: "It is a very good move. All the 'children' (ASEAN members) are very happy with the fact that the 'mother and father' (China and Japan) get along well now."

15) Government starts coordinating view in order to approve India's civilian-use nuclear reactor in support of US-India accord

MAINICHI (Page 2) (Excerpts) December 8, 2006

The government yesterday started coordinating views on civilian-use nuclear development by India with the possibility of supporting the agreement reached in March between the US and India. The accord approves the US providing nuclear-related technology to India on the condition of India accepting inspections by the International Atomic Energy Agency (IAEA). Though Japan has been suspending judgment about the issue in view of the fact that it is the only country on which atomic bombs were used, it has decided to approve the pact considering the strategic importance of India. The government's switch in its nonnuclear proliferation policy toward giving its approval to India, a nuclear power that is not a member of the Nonnuclear Proliferation Treaty, will likely draw criticism.

Prime Minister Shinzo Abe during a meeting with Indian Prime Minister Singh, who is to visit Japan on Dec. 13, is expected to convey Japan's support for the US-India agreement, saying, "Japan will look into the issue in a positive manner."

The US and India in March agreed that the US provides nuclear-related technology to India with the condition attached that India makes its civilian-use nuclear reactor subject to IAEA inspections. The implementation of the pact requires approval of the Nuclear Suppliers Group (NSG), for which Japan is serving as the secretariat. Singh sought Japan's support and understanding when he

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met with former Prime Minister Junichiro Koizumi in July, but Koizumi refrained from making a clear-cut reply.

16) Taku Yamasaki corrects his remarks that Koizumi expressed TOKYO 00006897 010 OF 011

willingness for a third visit to North Korea, saying "I said that"

TOKYO SHIMBUN (Page 2) (Full) December 8, 2006

In a meeting yesterday of his faction, Taku Yamasaki, former vice president of the Liberal Democratic Party (LDP), corrected his remarks that former Prime Minister Junichiro Koizumi had expressed a willingness to make a third trip to North Korea. He stated in the meeting: "(In our meeting on Dec. 6) I suggested that Mr. Koizumi make a third visit to North Korea. He was just listening to me."

When reporters asked Koizumi yesterday, "Were you just listening to (Mr. Yamasaki talking)?" He nodded his head. He admitted that Yamasaki had made up the story.

While Yamasaki was serving as LDP secretary general, Koizumi often corrected Yamasaki's remarks.

17) Extension of Diet session seen as unavoidable

SANKEI (Page 5) (Full) December 8, 2006

The House of Councillors Education Special Committee decided in its directors' meeting yesterday to give up taking a vote on bills amending the Fundamental Law of Education today, as desired by the ruling camp. The vote will be taken after Prime Minister Shinzo Abe returns from an overseas trip to attend the East Asia Summit on Dec. 114. The current Diet session is due to adjourn on the 15th, so it will be unavoidable to extend the session for about one week.

The Upper and Lower House Diet Affairs Committee chairmen of the Liberal Democratic Party and Minshuto met in the Diet building yesterday, in which they agreed to hold a question-and-answer session at the special committee on Dec. 11 and a central public hearing on the 12th. Minshuto refused to attend talks regarding the future schedule.

The ruling coalition aims to take a vote on the 14th and enact the bills at an Upper House plenary session on the 15th. A senior Diet Affairs Committee member in the ruling camp conveyed to the government a plan to decide whether to extend the session or not on the 14th. But the ruling camp is likely to decide on the extension "on the assumption that an unexpected situation might occur," as said by a senior Diet Affairs Committee member.

18) Cabinet to endorse today plan to revise road-related tax revenues system; Reforms, including gasoline tax system, to be put off

NIHON KEIZAI (Page 1) (Excerpts) December 8, 2006

The government and ruling parties agreed yesterday to carry out legal amendments during the regular session of the Diet in 2008 that would be necessary to pave the way for tax revenues for road

projects to be used for general purposes. The agreement reflects the ruling coalition's demand that a mid-term plan for road construction be formulated, among other requests. The government has decided put off incorporating gasoline tax revenues, which account for about 80% of the tax revenues for road construction, into general revenues.

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The government and ruling camp will reach a final agreement in their meeting today and the Cabinet will approve it also today. They aim to revise the special law on road construction revenues. However since the agreement does not include the plan to use gasoline tax revenues for general purposes that Prime Minister Shinzo Abe vowed at the Economic and Fiscal Policy Council, the government will face difficulties at the stage of amending the law.

19) Lawless: "It would be crazy for Japan not to intercept" missile headed for US (Corrected copy; missing text)

SANKEI (Page 5) (Full) December 7, 2006

It was confirmed yesterday that during his visit to Japan for senior bilateral consultations, US Deputy Undersecretary of Defense Lawless, in connection with missile defense (MD) and collective self-defense, stated, "It would be crazy if it was clear that a missile was headed for the United States, and Japan had the capability of shooting it down but did not do so. That would not be an alliance." The remark was made to former Defense Agency Shigeru Ishiba by Lawrence during their meeting last week, and introduced to the Liberal Democratic Party subcommittee on defense policy studies, which Ishiba chairs.

SCHIEFFER